

Republic of Nauru - 18th Parliament

Republic of Nauru Finance Corporation (Amendment) Bill 2009

EXPLANATORY MEMORANDUM

BACKGROUND AND INTRODUCTION:

The Republic of Nauru Finance Corporation, known as “RONFIN”, is a statutory corporation that was established in 1972 under the *Republic of Nauru Finance Corporation Act 1972*. The RONFIN Act was amended several times and the current citation of the short title of the Act is the *Republic of Nauru Finance Corporation Act 1972-1998*. RONFIN ceased to operate approximately 5 years ago, and no longer has any staff or Directors.

The object of this Bill is to officially abolish RONFIN by repealing the *Republic of Nauru Finance Corporation Act 1972-1998*. As RONFIN is a statutory corporation that is not subject to the provisions of the *Corporation Act 1972*, it is not necessary to undertake winding up procedures under that Act, but rather, the abolition of RONFIN can be effected by repealing the Act under which it was established.

NOTES ON CLAUSES:

Clause 1 provides the short title of the Act and provides that the Act will come into force on the date of certification.

Clause 2 defines the *Republic of Nauru Finance Corporation Act 1972-1998* and defines the ‘Corporation’ as meaning the Republic of Nauru Finance Corporation.

Clause 3 would **repeal** the *Republic of Nauru Finance Corporation Act 1972-1998*, thereby abolishing RONFIN.

Clause 4 would vest any remaining RONFIN assets in the Republic, and would also enable the Republic to claim any outstanding debts owed to RONFIN by debtors.

Clause 5 would require the Director of Audit, within one year of the Act coming into effect, to endeavour to conduct a final audit of the accounts of RONFIN. If the Director of Audit is unable to obtain sufficient records or information to undertake such audit, then he would be required to report on his efforts and provide whatever information he was able to obtain. The Report of the Director of Audit would be submitted to the President for tabling in Parliament.